

LEAH VUKMIR

STATE REPRESENTATIVE

AB 539: PATIENT'S RIGHT TO KNOW ACT

General provisions

A patient may request a cost estimate from their provider for scheduled care that is anticipated to cost more than \$500. If a patient wishes to consider options to reduce their cost-sharing or total cost of the procedure, the insurer may provide the patient with cost saving options or incentives to consider various providers. Under this legislation, a provider is not required to provide an estimate for an individual who is "shopping" for care rather, the individual must be someone who has been referred, or is under the care of the provider in order to qualify to receive an estimate.

The cost estimate may be provided in writing or electronically according to the preference of the patient. For an estimate that involves a variety of providers, they can coordinate their estimate by sending it to the patient's insurer.

In addition to the estimate, the provider must provide the appropriate codes or descriptions used to develop the estimate available to the patient or the insurer.

Under the legislation, providers will have 18 months from the date the act is published to implement the provisions in the act.

The Uninsured

Under current law, an uninsured patient who qualifies for BadgerCare and who enrolls in the program within 90 days after discharge or the first treatment qualify for retroactive coverage. The provider must inform an uninsured patient of their right to obtain such coverage.

An uninsured patient who is not eligible for BadgerCare, may enroll in a private insurance plan within 90 days after discharge or the first treatment. The plan must provide coverage for at least 12-months. The provider must accept as payment, the amount the rate the insurer would have paid had the patient been covered at the time, plus any reasonable and customary finance or collection charges.

Diagnostic Procedures and Tests

A patient may request – when an individual practitioner refers a patient for a test or other diagnostic procedure that is expected to cost more than \$500 – to estimate the cost and provide the appropriate codes to the patient.

Surgical and hospital care

A patient who has been referred for a schedulable surgical procedure or hospitalization, may request a provider cost estimate. The estimate:

STATE CAPITOL

P.O. Box 8953 • MADISON, WISCONSIN 53708-8953
(608) 266-9180 • (888) 534-0014 • FAX: (608) 282-3614

- Represents the provider's good-faith effort to provide accurate information to the patient or patient's agent
- Must include the anticipated costs of practitioners, facilities charges, anticipated length of stay (if any) and the per-day cost, an estimate of the cost of follow-up care or rehabilitation related to the procedure.
- May use any of the following: the average billed-rate, average paid-rate accepted from private insurers or a cost lower than the paid-rate. As an alternative, the provider may offer a single "bundled" price for care.
- Must inform the patient of their responsibilities associated with the care or treatment and the potential for cost variances due to complications that cannot reasonably be anticipated, or that may be due to patient's health status.
- May include any discounts or financial incentives the provider is willing to offer the consumer for choosing the services of the provider.
- Must include any quality data that the provider has published related to the procedure or care being provided.
- The cost estimate and all appropriate codes or descriptions for the care and course of treatment used in providing the estimate shall be made available to the patient, or the patient's agent.

A treatment plan or other course of care

For a specific course of care that involves regular office or clinical visits over an extended period, the estimate will also contain:

- a proposed treatment plan that describes the number and frequency of visits and an estimate of the anticipated cost. If the treatment plan is expected to exceed six months, the provider must, provide a cost estimate and treatment plan for each six month period.

Insurer Summary of Coverage

If the patient requests from the insurer, a summary of benefits related to the estimate. The summary may be issued in writing, electronically or verbally according to the preference of the insured.

The Insurer must provide a good faith summary that includes:

- A description of benefits, including restrictions or limitations for out-of-network care related to the estimate, or any charges that may exceed coverage limitations.
- Any pre-certification or other requirements that must be completed prior to any care being approved.
- An estimated total and type of out-of-pocket costs that may be incurred related to the cost estimate.
- The estimated total amount (paid-rate) the insurer anticipates paying the provider related to the estimate. The insurer is not required to disclose proprietary pricing information, but the total amount paid under the summary shall be a reasonably close estimate to the actual amount paid.

- Any discounts or incentives the insurer is willing to offer, including incentives for the insured to obtain care from or following the course of treatment offered by another provider.



Wisconsin Medical Society

Your Doctor. Your Health.

TO: Assembly Committee on Health and Healthcare Reform

FROM: Mark Grapentine, JD – Senior Vice President, Government Relations

DATE: December 17, 2009

RE: Testimony for Information: Assembly Bill 614 – Cost Transparency

On behalf of nearly 12,500 members statewide, the Wisconsin Medical Society thanks you for this opportunity to share our thoughts on Assembly Bill 614, relating to health care price transparency.

Transparency Generally

Society physicians believe that an informed patient can be better involved in his or her overall health care. At its most recent meeting, the Society's Council on Legislation reviewed AB 614 and raised some concerns which are detailed below. That said, the Council conveys the Society's strong support for greater transparency and efforts to improve patient sophistication so that he or she is able to make better health care decisions.

For transparency to be effective, though, patients need more than cost information alone; data on quality of care is just as important. The combination of cost **and** quality transparency leads to what the Society believes is needed: the capability to assess health care value. With this in mind, the Society adopted the attached Transparency Principles just over a year ago, and has been a leader in the Wisconsin Health Information Organization (WHIO): a partnership among providers, payors and patients to establish a robust, effective and useful data repository. Using this data, physicians will be better able to assess performance, which can lead to enhanced quality and therefore increased health care value.

The Bill's Requirements May Not Help Patients Assess True Costs

While we are still discerning the administrative burdens of this bill, our preliminary calculations at this time point toward additional administrative burdens for physicians that potentially outweigh the benefits the information provides the patient. Patients often have extremely complicated conditions with many possible treatment options; while the patient may receive accurate information for what a specific diagnostic test or procedure may cost, the patient may require many tests or services not contemplated at the time of inquiry. While the bill accounts for this reality by requiring a price disclosure "assuming no medical complications," all too often the patient's condition is not simple.

For example, a patient could present to a clinic with a chronic cough. Should a cost estimate be provided when the physician has not yet determined if the patient has a common cold, bronchitis or lung cancer? Forcing estimates of the cost of care before a condition is diagnosed raises questions of that information's utility.

The Bill Will Increase Administrative Costs; By How Much Remains Unclear

The information mandates will increase the administrative burden on clinics and physicians. Maintaining a median charge list of 25 Department of Health Services-specified “presenting conditions” that could change annually is no small task. Fulfilling such requests does not come without additional administrative costs. While Wisconsin has many integrated systems with large numbers of physicians, extensive administrative staff and the latest information technology, many smaller clinics and offices have far less capacity to comply with the bill’s mandates.

The bill’s creation of a \$500 penalty for violations is unnecessary and creates yet another area of government bureaucracy. How will DHS determine when forfeitures are justified? Does the legislature really wish to promote more of a burden on the division of hearings and appeals? Should the attorney general’s office be tasked with determining whether or not a fine has been paid? Government levying fines on physicians or their staffs working to provide the best health care possible to patients is a misuse of power; this provision should be abandoned.

Side-by-Side Comparison of Government vs. Private Pay May Result in Unintended Consequences

We believe the authors are sincere in their statements that requiring charge information to be displayed alongside Medicaid and Medicare’s reimbursement rates will shine light on woeful government reimbursement that causes overall health care cost shifting to private payors. The Society remains concerned, however, that patients will instead become angered at the disparity in the figures.

The fiscal estimate from the Office of the Commissioner of Insurance is instructive here, and appears to agree with our fears:

OCI is unable to determine the state fiscal effect of this bill. It is anticipated that possible administrative rulemaking and *increased complaint activity against insurers* could result in an increase in the need for resources beyond the agency’s existing budget authority. OCI anticipates that once the agency gains experience with compliance issues related to AB 614 an assessment of agency needs related to this bill will yield a reliable estimate.
(emphasis supplied)

Again, we appreciate the authors’ stated intent for this section; however, the unintended consequences of these provisions could be adding tension and anger into the physician-patient relationship.

Thank you again for this opportunity to provide the Society’s opinions on AB 614. The Society stands ready to continue collaborations with the state’s policymakers on enhancing Wisconsin’s health care system.

Wisconsin Medical Society Transparency Principles

Approved by the Board of Directors October 11, 2008

- The Society believes the relationship between the Patient and Physician is critical to positive health outcomes. Transparency efforts should not supersede or unnecessarily impact the patient-physician trust.
- The Society believes there is benefit to using a common database of health care information that is aggregated across key stakeholder groups for multiple uses, including quality improvement, population health research, public reporting, financial risk-sharing models and product development.
- The Society believes the value associated with the database is based on the credibility of the data, which results from the collaborative process and methodological rigor applied to these data products. The credibility must be preserved and enhanced as the scope, sources and uses of the data expand.
- The Society believes it is critical to deploy a collaborative system to measure error rates and gaps in the data, as well as performance variations. Stakeholders must commit to correct/improve these conditions over time and thus make fair and reasonable decision on public reporting of information.
- The Society believes that the use of nationally vetted and endorsed measures will serve to decrease variation and allow for improvements in health care delivery.
- The Society believes that Quality and Cost Measurement should be evidence-based and reported together whenever possible for stakeholder decision-making.
- The Society believes that it is essential, for the public good, that the measures derived from the database are reliable, valid and can favorably influence the outcome of patient care.
- The Society believes that a disciplined, neutrally operated appeals/dispute resolution policy, that audits data results and processes used to reach results, must accommodate the database. Further, if an appeal is significant and pervasive in the data, a moratorium on access to and use of the data must be activated until the data is remedied.
- The Society expects that users of the data would commit to the following:
 - o Users will use data in a way that is accurate, meaningful and statistically valid.
 - o Users will openly disclose to the physician community the objectives, measures and methods related to any use of performance data.
 - o Users will work to include the most effective risk adjustment as possible, and any adjustment methods included in the users analysis will be fully described including the limitations of such adjustments.
 - o Users will reference the source of the data and display its imprimatur.
 - o Users will develop and implement strategies for monitoring the impact of the implied uses of performance data that are not unduly burdensome.

Note: These principles do not replace Society Policy DHC-004. They are intended to provide a more general, yet succinct description of the Society's position on Transparency.



Wisconsin Medical Society
Your Doctor. Your Health.

PricePoint: The Respected Source for Health Care Data
www.wipricepoint.org



What is PricePoint?

PricePoint, created by the WHA Information Center, is a Web site (www.wipricepoint.org) that allows users to easily access charge information about any type of hospitalization and selected outpatient procedures in any hospital or Medicare-certified ambulatory surgery center in Wisconsin.

The site also provides aggregate "discount" information for each hospital for private insurance, Medicare and Medicaid. This information allows users to understand how hospitals' charges compare to the amount of revenue they actually collect for services provided.

Facilities report data quarterly to the WHA Information Center, and it in turn publishes pricing information about the four most recently reported quarters of data to the PricePoint Web site.

PricePoint was created without a legislative mandate and it is just one of the many ways that Wisconsin hospitals are demonstrating their commitment to health care transparency by providing information that can help consumers, employers and insurers with health care decisions.

What Information is Available?

After accessing www.wipricepoint.org, users select a type of service (inpatient/outpatient/emergency), then a facility, and then the specific service of interest to them.

What is the WHA Information Center?

The WHA Information Center is dedicated to collecting and disseminating complete, accurate and timely data about charges and services provided by Wisconsin hospitals and ambulatory surgery centers.


WHA Information Center is a wholly owned subsidiary of the Wisconsin Hospital Association. It was incorporated on October 1, 2003, and it began collecting data in January 2004 under a contract with the Wisconsin Department of Administration.

How Do I Access PricePoint?

Access to PricePoint is available without charge. Simply go to www.wipricepoint.org, and follow the prompts.


View PricePoint Inpatient Reports

After the user selects a hospital and a type of hospitalization, the following information displays:



PricePoint
Hospitals Accountable for Transparency

Wisconsin PricePoint System
Powered by WHA Information Center
5910 Research Park Drive
Madison, WI 53711 (608) 274-1820



INPATIENT
OUTPATIENT
EMERGENCY/URGENT CARE
CONSUMER INFORMATION
ABOUT
CONTACT
WHA HOME

Financial Assistance

Hospital

Address

City, State, Zip

Phone

Top 25 APR-DRG

You can filter the data by severity of illness.

Normal Newborn, Birthweight 2500g+
July 2007 - June 2008

Filter on Severity of Illness: ?

☒ 1 ☒ 2 ☒ 3 ☒ 4

Update Report

? Number of Discharges

Selected
Hospital

3,606

All Hospitals in
this County ?

6,604

All Hospitals with
Similar Patient Volume ?

31,494

All WI
Hospitals

64,353

? Average Length of Stay

2.2 Day(s)

2.2 Day(s)

2.2 Day(s)

2.2 Day(s)

? Average Charge

\$2,338

\$2,202

\$2,524

\$2,375

? Average Charge Per Day

\$1,072

\$1,010

\$1,135

\$1,096

? Median Charge

\$1,950

\$1,774

\$2,124

\$2,061

? Median Age

0

0

0

0

? Percentage Male

51.7%

51.3%

50.7%

50.9%

? Percentage Female

48.3%

48.7%

49.3%

49.1%

Select New Hospital

Select New Service at this Hospital

Compare Selected Hospital to Other Individual Hospitals

NR = 1 - 4 Discharges (Not Reported)

☒ = Show hospitals in that group

☐ Notes About this Table

☐ Understanding Facility Charge Information

☐ Why Charges May Differ Between Facilities

View CheckPoint Quality
Reports for this Hospital

You can view the following information on PricePoint:

- ✓ Discharges
- ✓ Length of stay
- ✓ Average charge
- ✓ Average charge per day
- ✓ Median charge
- ✓ Median patient age
- ✓ % of male and female patients

For:

- ✓ Selected hospital
- ✓ All hospitals in the county
- ✓ All hospitals with similar volume
- ✓ All Wisconsin hospitals
- ✓ Or up to four individual hospitals side-by-side

CHECKPoint®
Wisconsin Hospitals Accountable for Quality

**View CheckPoint
Quality Reports**

A link to WHA's CheckPoint
Web site (www.wicheckpoint.org)
will direct you to quality and safety
information for the hospital you
have selected. CheckPoint displays
current hospital data that helps
consumers make informed health
care decisions.

Inpatient Report

Charges for 25 Most Common Types of Hospitalizations in Wisconsin: July 2007 - June 2008
(Uncomplicated Cases Only)

[Print this page](#)



Hospital
Address
City, State, Zip
Phone

[Back to Main Page](#)

APR- DRG	Description	Discharges	Median Charge *
640	Normal Newborn, Birthweight 2500g+	3,282	\$1,858
560	Vaginal Delivery	1,707	\$5,333
139	Pneumonia	40	\$8,783
540	Cesarean Delivery	642	\$12,774
302	Knee Replacement	221	\$29,607
194	Heart Failure	21	\$11,795
175	Angioplasty without Heart Attack	266	\$37,897
301	Hip Replacement	199	\$35,336
201	Arrhythmia and Conduction Disorders	72	\$7,915
753	Bipolar Disorders	152	\$10,914
140	Chronic Obstructive Pulmonary Disease	37	\$10,109
775	Alcohol Abuse/Dependence	72	\$4,732
751	Psychoses	128	\$8,922
720	Septicemia	NR	NR
383	Cellulitis and Other Bacterial Skin Infections	59	\$6,978
463	Kidney/Urinary Tract Infection	25	\$7,694
513	Uterine Procedures without Tumor	241	\$17,295
221	Major Bowel Procedures	48	\$25,701
860	Rehabilitation	29	\$14,887
045	Stroke and Precerebral Occlusion with Infarct	11	\$12,743
249	Gastroenteritis	56	\$7,698
460	Renal Failure	NR	NR
750	Schizophrenia	25	\$10,315
225	Appendectomy	187	\$15,198
347	Other Back/Neck Disorders, Fractures, Injuries	85	\$7,846

NR = 1 - 4 Discharges (Not Reported)

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Inpatient Report

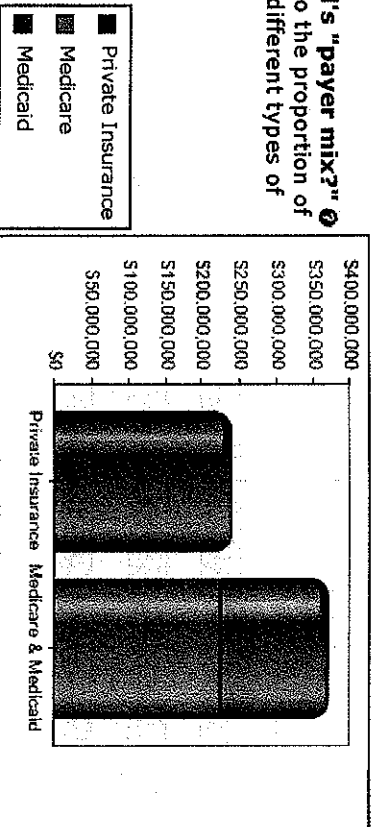
✓ Information about the selected hospital's payer mix

CHARGE AND PAYMENT INFORMATION

Hospital Name _____

Most Recent Fiscal Year - All Services

What is the selected hospital's "payer mix?" 
A hospital's "payer mix" refers to the proportion of its total charges attributable to different types of insurance coverage.



✓ Aggregate "discount" information by payer type

How much do government programs pay compared to private insurance? 

In many cases, Medicare & Medicaid reimburse hospitals at rates that do not cover the costs they incur to provide care. Payments from privately insured patients generally subsidize the shortfalls created by Medicare and Medicaid and therefore represent a "hidden tax" on individuals and families not covered by government programs.

Click to view examples of Medicare & Medicaid reimbursement to hospitals in Wisconsin.

The graphs below represent all services provided by the hospital; they are not specific to the selected service.

PRIVATE INSURANCE*

This facility collects an average of **64%** of its charges from private insurance.



MEDICARE*

This facility collects an average of **35%** of its charges from Medicare.



MEDICAID AND OTHER GOV'T PROGRAMS*

This facility collects an average of **24%** of its charges from Medicaid.



☐ \$87,452,983 Charges not Paid
☒ \$153,144,563 Charges Paid

☐ \$146,614,058 Charges not Paid
☒ \$78,208,659 Charges Paid

☐ \$111,380,497 Charges not Paid
☒ \$34,678,516 Charges Paid

The above information is for all services at the selected hospital. It is not specific to the service you selected or any other single service. Contact your insurer to determine the specific amount that will be paid under your policy for the selected service.

Outpatient Report

Wisconsin PricePoint System
 Powered by Wisconsin Health Center
 2510 Research Park Drive
 Madison, WI 53713 (608) 278-1820



INPATIENT OUTPATIENT EMERGENCY/URGENT CARE CONSULTATION ABOUT CONTACT WHAT'S NEW

Financial Assistance

Hospital
 Address
 City, State, Zip
 Phone

Wrist Procedures
 July 2007 - June 2008

HOSPITAL

WITH NO OTHER PROCEDURES									
WITH 1 OR MORE ADDITIONAL PROCEDURES									
Principal Procedure	Number of Cases	Lower Charge	Median Charge	Higher Charge	Number of Cases	Lower Charge	Median Charge	Higher Charge	Notes About this Table
Carpal Tunnel Surgery (64721)	189	\$3,181	\$4,262	\$4,840	44	\$4,118	\$4,809	\$8,281	NR = 1 - 4 Discharges (Not Reported)
Release of Wrist Bone Ligament, Scope (29848)	5	\$3,770	\$4,853	\$5,159	0	0	0	0	<input type="checkbox"/> Show hospitals in that group <input type="checkbox"/> Notes About this Table <input type="checkbox"/> Understanding Facility Charge Information <input type="checkbox"/> Why Charges May Differ Between Facilities

ALL FACILITIES IN THIS COUNTY

WITH NO OTHER PROCEDURES									
WITH 1 OR MORE ADDITIONAL PROCEDURES									
Principal Procedure	Number of Cases	Lower Charge	Median Charge	Higher Charge	Number of Cases	Lower Charge	Median Charge	Higher Charge	Notes About this Table
Carpal Tunnel Surgery (64721)	1,529	\$3,306	\$4,018	\$5,353	273	\$4,540	\$7,448	\$9,850	NR = 1 - 4 Discharges (Not Reported)
Release of Wrist Bone Ligament, Scope (29848)	92	\$4,805	\$6,045	\$7,839	16	\$8,774	\$8,774	\$9,719	<input type="checkbox"/> Show hospitals in that group <input type="checkbox"/> Notes About this Table <input type="checkbox"/> Understanding Facility Charge Information <input type="checkbox"/> Why Charges May Differ Between Facilities

ALL WISCONSIN FACILITIES

WITH NO OTHER PROCEDURES									
WITH 1 OR MORE ADDITIONAL PROCEDURES									
Principal Procedure	Number of Cases	Lower Charge	Median Charge	Higher Charge	Number of Cases	Lower Charge	Median Charge	Higher Charge	Notes About this Table
Carpal Tunnel Surgery (64721)	9,861	\$2,220	\$3,071	\$4,308	1,887	\$3,080	\$4,452	\$6,838	NR = 1 - 4 Discharges (Not Reported)
Release of Wrist Bone Ligament, Scope (29848)	734	\$3,285	\$4,383	\$5,150	111	\$4,000	\$6,392	\$7,944	<input type="checkbox"/> Notes About this Table <input type="checkbox"/> Understanding Facility Charge Information <input type="checkbox"/> Why Charges May Differ Between Facilities

Create New Report

PricePoint questions should be directed to:
WHA Information Center
P.O. Box 259038, Madison, WI 53725-9038
Email: WHAInfoCenter@wha.org
Web site: www.wipricepoint.org

Emergency/Urgent Care Report

PricePoint

Wisconsin PricePoint System
 Powered by WIA Information Center
 520 Research Park Drive
 Madison, WI 53712 (608) 274-1870

WIAHC HOME CONTACT ABOUT CONSUMER INFORMATION EMERGENCY/INCENT CARE OUTPATIENT INPATIENT

Financial Assistance

Financial Assistance (Additional)

Hospital

Address _____

City, State, Zip _____

Phone _____

Apple

July 2007 - June 2008

Wisconsin PricePoint System

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HOSPITAL

HOSPITAL-BASED URGENT CARE

EMERGENCY DEPARTMENT

EMERGENCY DEPARTMENT

ALL FACILITIES IN THIS COUNTRY

☐ Notes About this Table

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☐ Why Charges May Differ Between Facilities

☐ Why Emergency-Room and Urgent-Care Charges are Different

NR = 1 - 4 Cases (Not Reported)

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CheckPoint: Wisconsin Hospitals' Quality and Safety Information Online

www.wicheckpoint.org



Four years ago, WHA kicked off its voluntary hospital quality-reporting program – **CheckPoint**. CheckPoint was the first voluntary hospital quality reporting initiative in the country, and was designed to meet the growing needs of consumers for information on the quality of care they can expect to receive in their community hospitals. Consumers, employers and hospitals are able to view quality and error prevention information on **every Wisconsin hospital**.

CheckPoint, a Web-based (www.wicheckpoint.org) source of information on Wisconsin hospitals, gives consumers information on clinical interventions that medical experts agree should be provided during a hospital stay, and measures that show efforts toward preventing errors.

Perhaps even more important than providing useful information for consumers, CheckPoint has **produced results** by helping Wisconsin's hospitals to improve the quality of care they provide. For every measure, performance has either improved or stayed at the same high levels, making patients in Wisconsin's hospitals safer and providing them with better care (see attached charts). CheckPoint is living up to its promise of providing useful information and improving hospital quality.

CHECKPOINT

Wisconsin Hospitals Accountable for Quality

[Home](#) [WHA.org](#) [News](#) [Contact Us](#) [Hospital Login](#) [Related Links](#)

[About CheckPoint](#)

[Reports](#)

[Consumers Info](#)

[Providers Info](#)

[Purchasers Info](#)

Medical Services - Heart Care Report

119 matches

Measurement data are from

7/1/2006 – 6/30/2007

Report generated 1 Apr 2008 3:37:

PM

Goal = ↑ Higher is better

KEY

- No data collected at this time or no cases met criteria. [\[MORE INFO\]](#)

+ Data collected, but not enough cases to be representative of care provided in this reporting period. As CheckPoint adds data, more hospitals will report this measure. [\[MORE INFO\]](#)

[Download to Excel](#)

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[New Search](#)

	Heart Attack (%)							Heart Failure (%)				
Benchmark Name	Aspm at Arvl	Aspm at D/C	Bblock at Arvl	Bblock at D/C	ACEI LVSD	Smoke Counsel	PCI <90 min	Throm Med <30 min	LVE Assess	ACEI LVSD	Smoke Counsel	Dischr Instruct
National Average	97	97	94	97	88	98	65	50	94	88	94	74
State Average	98	98	95	97	88	97	77	9	94	89	94	76
State Benchmark	100	100	100	100	99	100	96	—	100	100	100	95

Click column headings to sort. Click column values to see trend report. Click hospital name to see an individual hospital report.

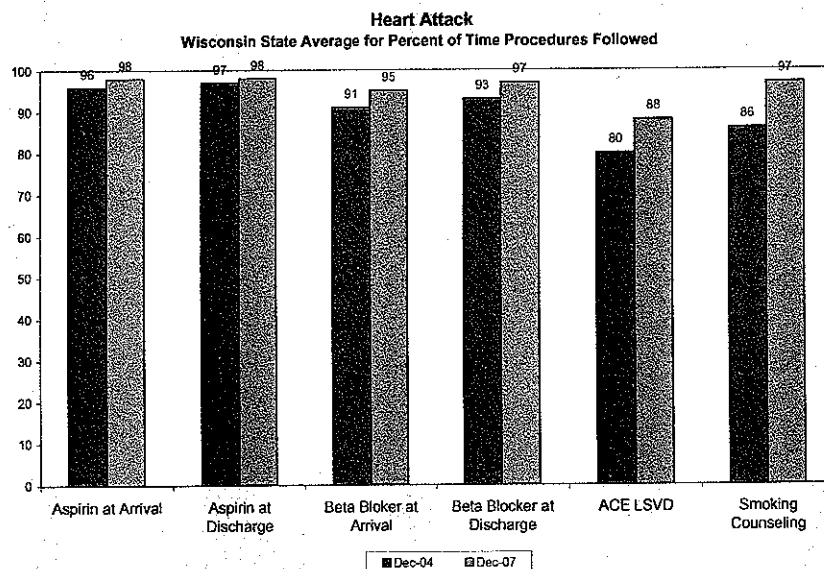
Hospital Name and City	Aspm at Arvl	Aspm at D/C	Bblock at Arvl	Bblock at D/C	ACEI LVSD	Smoke Counsel	PCI <90 min	Throm Med <30 min	LVE Assess	ACEI LVSD	Smoke Counsel	Dischr Instruct
Amery Regional Medical Center (Amery)	—	—	—	—	—	—	—	—	56	+	+	—
Appleton Medical Center (Appleton)	99	99	96	99	95	100	98	—	99	93	+	96
Aspirus Wausau Hospital (Wausau)	100	100	100	100	98	98	+	—	100	92	100	98

The following pages illustrate the changes that have taken place. →

A recent national report claimed that patients are only receiving 55% of the care that research has shown they should be given for their condition. Consumers don't need to look any farther than CheckPoint to see that Wisconsin hospitals are performing well above the national average in providing recommended care to patients.

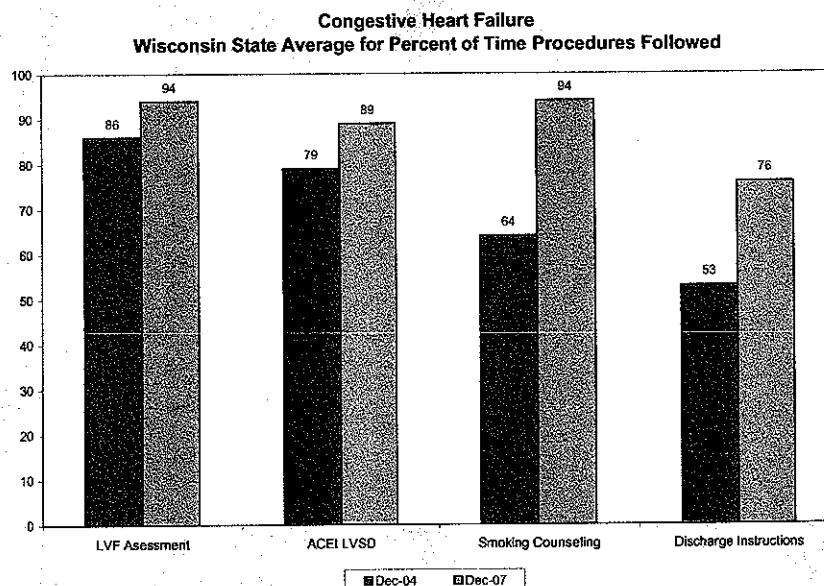
Heart Attack

Heart disease is America's No. 1 killer. Aspirin and beta-blockers are both shown to be beneficial to heart attack patients upon arrival to the hospital and when discharged. Wisconsin hospitals have consistently improved care in this area for the past three years. Also, hospitals have stepped up their smoking cessation counseling efforts to help their patients break the habit and stay healthy.



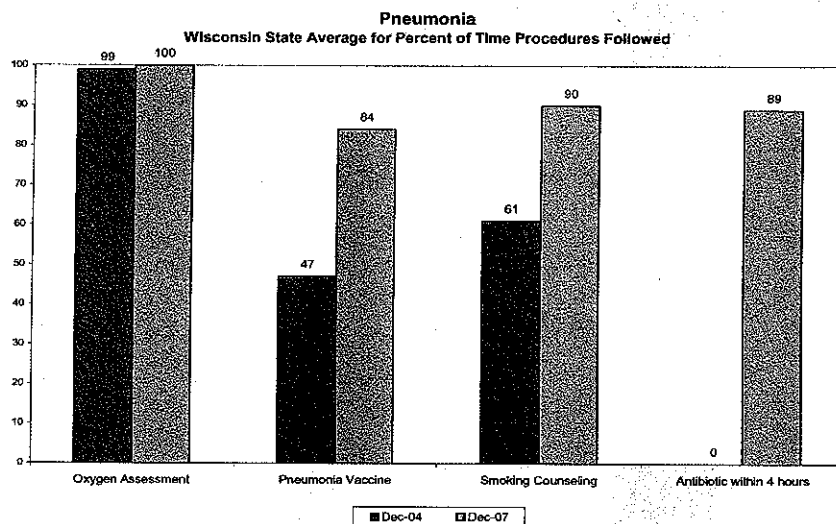
Congestive Heart Failure

About 25% of all Americans have one or more types of cardiovascular disease. Patients with congestive heart failure (CHF) are at risk for hospitalization because controlling this disease is difficult. For these patients, hospitals have made improvements in ensuring that discharge instructions follow the patient and their family home, together with smoking cessation counseling increasing from 64% in 2004 to 94% in 2007.



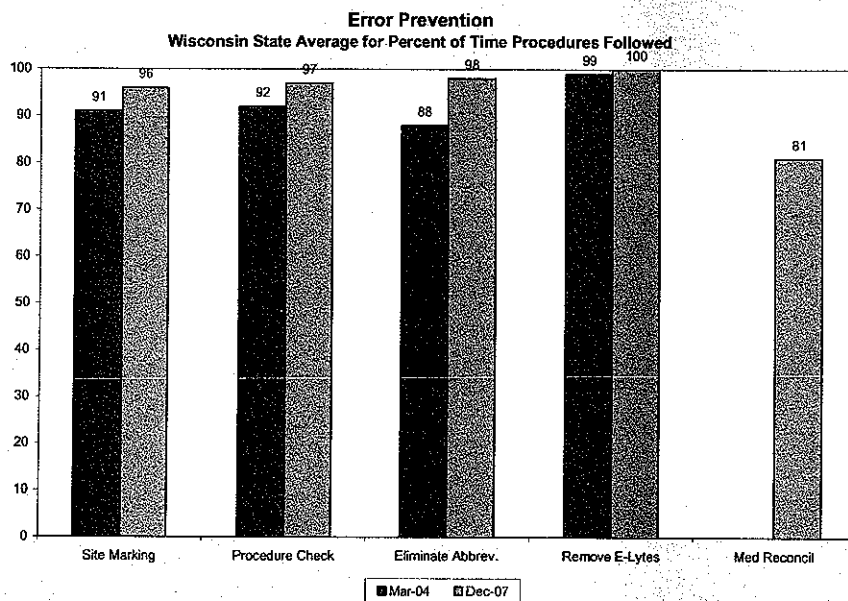
Pneumonia

About 1.2 million people are hospitalized each year in the U.S. for pneumonia, which is the third most frequent reason for hospitalizations (births are first and heart disease is second). Together with influenza, pneumonia is the sixth leading cause of death in the U.S. and is the leading cause of death from infection. Hospitals are now screening patients who are at a high risk of developing pneumonia at a much higher rate and administering the vaccine to prevent further pneumonia to them while they are hospitalized. The percentage of the time this procedure was followed increased significantly, from 47% to 84%.



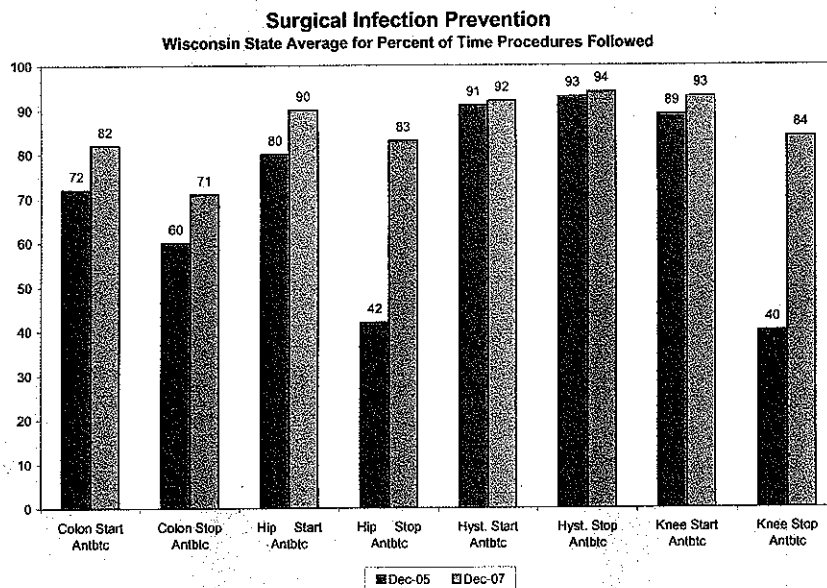
Error Prevention Measures

The error prevention measures reflect national patient safety goals. The newest measure tracks Wisconsin hospitals progress toward recording all patient medications within 48 hours of admission.



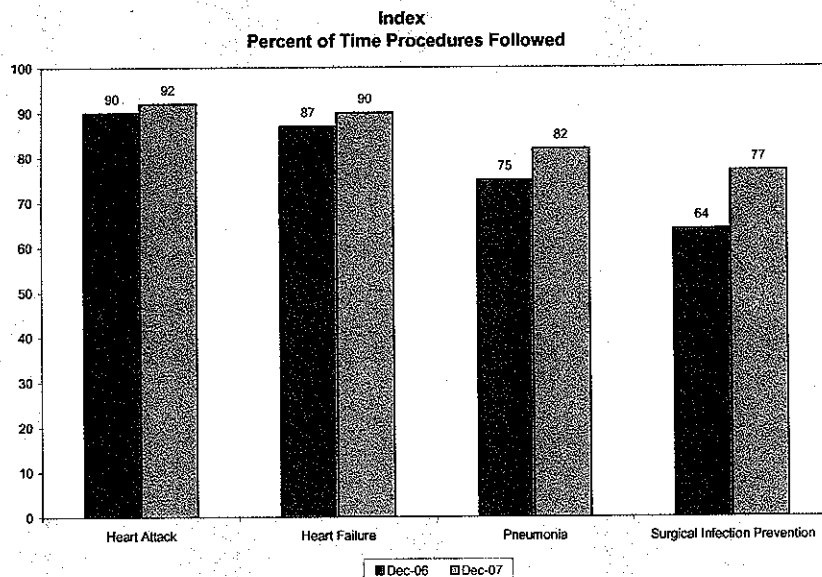
Surgical Infection Prevention

There is evidence that antibiotics taken within a certain timeframe before major surgical procedures helps to eliminate the development of infection related to the surgical procedure. Evidence also shows administration of antibiotics for more than a few hours after surgery offers no additional benefit to the surgical patient. Prolonged administration may increase the risk of resistance to antibiotics.



Indexes

Indexes represent the percent of patients that received all the care they needed based on a limited group of measures. These values were calculated for heart attack, heart failure, pneumonia, and surgical infection prevention.



July 7, 2009

123 Main Street
Black Earth, WI 53515

RE: Cost and Quality Comparison
Reference Number 1-8128401

Dear Mr. Larson:

Thank you for participating in Cost & Quality program.

WE WANT YOUR FEEDBACK!

Please call your Advocate at
with your decision
by _____ to be entered
into a drawing for a \$100 gas card!

What you called us about...

You first contacted on 06/22/2009 to ask about costs involving an upcoming Colonoscopy. According to the information you provided and the research we performed on your behalf, the following information was obtained and is documented in our records.

Procedure:	Colonoscopy
CPT code:	45378
Physician ordering the procedure:	Dan Jarzemsky, MD
Date procedure scheduled:	07/24/2009
Setting	Outpatient
Authorization Required	No

The results of our research...

Option 1:

Medical Provider	Kashyap N Katwala, MD	Meriter Hospital	Total
Provider Address	20 S Park St Madison, WI 53715 (608) 287-2680	202 S Park St Madison, WI 53715 (608) 267-6000	
Total Price	\$1,656.00	\$2,822.50	\$4,478.50
Estimated Discount Rate	20%	20%	
Estimated Discount	\$331.20	\$564.50	\$895.70
Discounted Balance	\$1,324.80	\$2,258.00	\$3,582.80
Deductible to Meet	\$500.00	\$0.00	\$500.00
Member Coinsurance	15%	15%	
Coinsurance Payment	\$48.72	\$338.70	\$387.42
Estimated Member Responsibility	\$548.72	\$338.70	\$887.42
Employer Responsibility	\$776.08	\$1,919.30	\$2,695.38
Number of times Physician has performed procedure	6-10 per day		
Years Physician has been in practice	10 years		
Average time spent on procedure	20 minutes		
Physician accepting new patients	Yes		
Prevent Medication Errors		Some Progress	▼
Appropriate ICU Staffing		Fully Meets Standards	▼
Hospital takes steps to avoid harm		Substantial Progress	▼
Managing Serious Errors		Fully Meets Standards	▼

Option 2:

Medical Provider	Abigail M Christiansen, MD	St. Mary's Digestive Health	Total
Provider Address	700 S Park St Madison, WI 53715 (608) 260-2900	700 S Park St Madison, WI 53715 (608) 229-7575	
Total Price	\$4,000.00	\$3,126.00	\$7,126.00
Estimated Discount Rate	20%	20%	
Estimated Discount	\$800.00	\$625.20	\$1,425.20
Discounted Balance	\$3,200.00	\$2,500.80	\$5,700.80
Deductible to Meet	\$500.00	\$0.00	\$500.00
Member Coinsurance	15%	15%	
Coinsurance Payment	\$330.00	\$375.12	\$705.12
Estimated Member Responsibility	\$830.00	\$375.12	\$1,205.12
Employer Responsibility	\$2,370.00	\$2,125.68	\$4,495.68
Number of times Physician has performed procedure	6-9 per day		
Years Physician has been in practice	25 years		
Average time spent on procedure	30 minutes		
Physician accepting new patients	Yes		
Prevent Medication Errors		Not Applicable	▼
Appropriate ICU Staffing		Not Applicable	▼
Hospital takes steps to avoid harm		Not Applicable	▼
Managing Serious Errors		Not Applicable	▼

Option 3:

Medical Provider	Carleton Davis, MD	Monroe Clinic	Total
Provider Address	515 22nd Ave Monroe, WI 53566 (608) 324-2000	515 22nd Ave Monroe, WI 53566 (608) 324-2000	
Total Price	\$4,750.00	\$4,200.00	\$8,950.00
Estimated Discount Rate	20%	20%	
Estimated Discount	\$950.00	\$840.00	\$1,790.00
Discounted Balance	\$3,800.00	\$3,360.00	\$7,160.00
Deductible to Meet	\$500.00	\$0.00	\$500.00
Member Coinsurance	15%	15%	
Coinsurance Payment	\$420.00	\$504.00	\$924.00
Estimated Member Responsibility	\$920.00	\$504.00	\$1,424.00
Employer Responsibility	\$2,880.00	\$2,856.00	\$5,736.00
Number of times Physician has performed procedure	10-12 per day		
Years Physician has been in practice	30 years		
Average time spent on procedure	30 minutes		
Physician accepting new patients	Yes		
Prevent Medication Errors		Some Progress	▼
Appropriate ICU Staffing		Report but does not Meet	▼
Hospital takes steps to avoid harm		Report but does not Meet	▼
Managing Serious Errors		Report but does not Meet	▼

The discount information shown in each example is based on the average discount for the providers I've contacted.

Your individual deductible of \$500.00 for the year has not been met as of the date of this letter. If your deductible has not been met, the charges for your procedure will be your responsibility until the deductible is satisfied. Additionally, your coinsurance is 85%. This means that you are responsible for 15% of the total cost of your health care after the deductible of \$500.00 has been satisfied.

Notes: All physician quality information was obtained directly from the physician's office. All hospital quality information was obtained from the Leapfrog Group. Leapfrog is a group that is focused on the public reporting by hospitals of key quality measures as outlined in this letter. Their website is www.leapfroggroup.org.

Per your plan, whether the procedure is considered routine or diagnostic, benefits will be paid as follows: First \$500.00 will be paid by your plan at 100%, the remainder will be applied to your deductible of \$500.00. After your deductible has been met, the plan will then pay out an 85% coinsurance. You will be responsible for 15% of your coinsurance until your out of pocket maximum of \$2700.00 has been met. Your out of pocket maximum of \$2700.00 does not include the \$500.00 deductible.

As of the date of this letter, nothing has been met toward your deductible or out of pocket maximum.

Special note about colonoscopy...

The pricing estimates listed in this letter are based on a "standard" colonoscopy. The charge for this kind of procedure can vary greatly, and cannot be predicted until the procedure is underway. For example, the discovery of lesions or polyps may require that additional procedures such as a biopsy or polyp removal be performed during the colonoscopy. These additional services will result in increased adjusted pricing from both the physician and the facility.

IMPORTANT! The amounts listed in the chart on the previous page are estimates based on the information gathered as a result of your request for assistance. All calculations are based upon the "Total Price" quoted by the medical provider. The actual price billed when your procedure is performed will determine the amount you will be responsible to pay.

When diagnostic services, surgeries, and hospitalizations are required, there are multiple pieces involved in your care. This usually means that you will be billed from several service providers, some whose names you'll recognize and some you may not. The estimates we've included in this letter are only for one piece of your total care. Depending on your medical benefits, you may also have some financial responsibility to other providers such as assistant surgeons, anesthesiologists, pathology and radiology services. If you have any questions, remember that you can call us to clarify your benefits.

Should you have any questions, please contact me at (508) 845-2200 ext. 220.

Thank you for using the Cost & Quality service.

Sincerely,

Wisconsin Association of Health Plans

To: Members, Assembly Committee on Health and Healthcare Reform

From: Nancy Wenzel, Chief Executive Officer
Nathan Houdek, Director of Legislation & Advocacy

Date: December 17, 2009

Re: Health Care Transparency, Assembly Bill 539

Wisconsin health plans support making health care quality and costs more transparent to consumers and group purchasers. Presented in a way that is most understandable for consumers, health care cost and quality information can engage consumers in making value-based health care decisions. **The Wisconsin Association of Health Plans believes the insurer provisions of Assembly Bill 539 should be modified to better reflect what health plans have found to be of greatest value and use for insured consumers.**

All Wisconsin Association of Health Plans members collect and report information describing the quality of health care services arranged through their plans. Since 2008, all member plans comply with the Association's Transparency Initiative, providing estimates of out-of-pocket health care costs to enrollees who request them. Additionally, many of our member health plans have invested heavily in technology and tools that present provider cost information to consumers to help them evaluate their health care purchases.

We believe any proposal designed to increase health care cost transparency should allow health plans and providers to continue developing best practices in presenting cost and quality information to consumers. Working with their enrollees and group purchasers, health plans can determine the best approach to engaging consumers with clear, concise and usable information. Overly prescriptive legislation could stifle innovation and would likely confuse the very consumers it is intended to engage, potentially reducing the effectiveness of transparency efforts.

The most useful cost information for health plans to provide a consumer, before a service is received, is an estimate of the out-of-pocket cost for a specific procedure from a specific provider. We believe the insurer provisions of AB 539 should be modified accordingly, and we would be happy to work with the author in crafting the changes.

###

Wisconsin Association of Health Plans

To: Members, Assembly Committee on Health and Healthcare Reform

From: Nancy Wenzel, Chief Executive Officer
Nathan Houdek, Director of Legislation & Advocacy

Date: December 17, 2009

Re: Health Care Cost Transparency, Assembly Bill 614

Wisconsin health plans support making health care quality and costs more transparent to consumers and group purchasers. Presented in a way that is most understandable for consumers, health care cost and quality information can engage consumers in making value-based health care decisions. Accordingly, **the Wisconsin Association of Health Plans supports the insurer provisions of Assembly Bill 614 with modifications to give consumers the information most appropriate for their needs and interests.**

All Wisconsin Association of Health Plans members collect and report information describing the quality of health care services arranged through their plans. Since 2008, all member plans comply with the Association's Transparency Initiative, providing estimates of out-of-pocket health care costs to enrollees who request them. Additionally, many of our member health plans have invested heavily in technology and tools that present provider cost information to consumers to help them evaluate health care purchases.

We believe any proposal designed to increase health care cost transparency should allow health plans and providers to continue developing best practices in presenting cost and quality information to consumers. Working with their enrollees and group purchasers, health plans can determine the best approach to engaging consumers with clear, concise and usable information. Overly prescriptive legislation could stifle innovation and would likely confuse the very consumers it is intended to engage, potentially reducing the effectiveness of transparency initiatives.

Through their efforts in the marketplace, health plans have found the most useful cost information to provide a consumer, before a service is received, is an estimate of the out-of-pocket cost for a specific procedure from a specific provider. In order for insurers to provide a good faith estimate of an insured's out-of-pocket cost for a particular service, the insurer needs specific information about the service to be provided, as enumerated in 632.798 (2) (e).

The Wisconsin Association of Health Plans supports the insurer provisions of Assembly Bill 614 with the following recommended modifications:

- Eliminate the requirement that insurers provide estimates of the median reimbursement they would expect to pay for a specified health care service (proposed 632.798 (2) (a)). If the intent of this provision is to give consumers a relative approximation of cost, the information consumers would get from providers on median billed charges and average allowable payment from private, third-part payers will accomplish that objective.
- Eliminate the parallel language on median reimbursement in 146.903 (5) (a).
- Clarify that insurers' good faith estimates of the insured's total out-of-pocket costs assume no medical complications or modifications in the insured's treatment plan (add to proposed 632.798 (2) (b)).
- Clarify that, in circumstances in which providers are exempted from providing estimates of the charge for an anticipated service, insurers would also be exempt from the requirements of AB 614, since consumers would not have the provider's charge or other relevant information to give to insurers, as required in 632.798 (2) (e).

With these changes, AB 614 will better serve the true interests of insured consumers without creating unnecessary administrative procedures and costs and potentially confusing payment information. The information insured consumers are most interested in—if not solely interested in—is the amount they pay toward their insurance premium and the cost they will be asked to pay out of their own pockets for a specific service.

Members of the Wisconsin Association of Health Plans remain committed to continually improving the information provided to consumers about health care costs and quality, and we look forward to working with lawmakers on this effort.

###



December 16, 2009

Assembly Committee on Health & Healthcare Reform
State Capitol
Madison, WI 53708

Re: Healthcare Transparency Legislation

Dear Chairman Richards & Members of the Committee on Health & Healthcare Reform:

I am writing on behalf of Gundersen Lutheran Health System to encourage you to vote against Senate Bill 418/Assembly Bill 614, and Assembly Bill 539 relating to healthcare transparency because they would:

- **Increase healthcare costs.**
- **Duplicate existing state, federal and corporate transparency initiatives.**
- **Exacerbate patient access problems by diverting providers away from patient care.**

Nationwide, our country is on the brink of transforming our healthcare system with the goal of improving coverage, access and cost. While the federal government continues this important debate, Gundersen Lutheran has remained supportive of health reform efforts that improve the quality and value of care. Administrative burdens in healthcare have often plagued the system's efforts to improve efficiency and direct funds to patient care. We wholeheartedly support the concept of transparency as a means of controlling healthcare costs and good customer service for an overall positive experience. However, we believe the healthcare sector is best positioned to improve transparency and maintain Wisconsin's position as a national leader in healthcare quality.

Gundersen Lutheran believes the proposed legislation is unnecessary duplication of not only our existing corporate policy, but also an existing state program. In 2006, we established a corporate policy that any person may request a medical cost estimate, without restrictions, at any Gundersen Lutheran facility. Moreover, we'll provide the estimate to the patient within 24 hours free of charge through our Patient Business Services Department.

Moreover, WHA PricePoint™ is already administered by the Wisconsin Hospital Association under a state contract with the Wisconsin Department of Administration for the purpose of promoting transparency in healthcare. Since 2004, Gundersen Lutheran and the Wisconsin Hospital Association have coordinated in supplying healthcare information regarding charges and services to the public in a complete, accurate and timely fashion using WHA PricePoint™.

While Gundersen Lutheran appreciates the spirit of this proposed legislation, we believe it's pursuit of transparency will be fleeting. The legislation demands estimates of an episode of care and course of treatment for those who request it. Not only is this already provided at request, but healthcare providers and patients all know estimates are simply estimates and may change during the course of care, primarily due to unanticipated circumstances.

We also believe the objective of controlling healthcare costs will not only be unattainable under the proposals introduced, but will drastically increase healthcare costs. In a given year, Gundersen

External Affairs Department 1900 South Avenue, H02-009 La Crosse, WI 54601
Email: ExternalAffairs@gundluth.org Phone: 608-775-1400 Fax: 608-775-6225

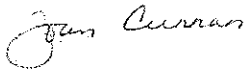
Lutheran provides the Wisconsin Hospital Association approximately \$125,000 to administer its PricePoint™ transparency reporting service, while our corporate policy of free cost estimates upon patient request totals approximately \$45,000 per year.

While the current transparency system costs Gundersen Lutheran approximately \$170,000 per year, these two proposals will drive up healthcare costs and decrease access to healthcare professionals. As proposed, compliance with Senate Bill 418/Assembly Bill 614 would annually cost Gundersen Lutheran an estimated \$5.5 million to implement. Additionally, implementation and compliance with Assembly Bill 553 would cost an estimated \$240 million annually. Moreover, the cumbersome process of developing provider cost estimates will divert physicians, physicians assistant, nurses, and other healthcare providers away from patient care, despite a patient access problem in healthcare, especially in rural areas such as western Wisconsin.

In conclusion, Gundersen Lutheran encourages you to oppose the proposed transparency legislation because they would promote duplication, significantly increase healthcare costs, and exacerbate patient access problems in healthcare.

Please contact us with any questions.

Sincerely,



Joan L. Curran
Chief Government Relations
& External Affairs Officer



Eric C. Tempelis
Director of Government Affairs



December 17, 2009

The Honorable Jon Richards, Chair
Assembly Committee on Health and Health Care Reform
Room 118 North, State Capitol
Madison, WI 53708

Dear Chairman Richards,

On behalf of the approximately 160 Wisconsin employers who are members of The Alliance, I wanted to share some insights from employers on Assembly Bill 539 and Assembly Bill 614, before your committee for consideration today.

We applaud the authors and supporters of both AB 539 and AB 614 for their efforts to put actionable information about health care costs into the hands of consumers. The Alliance and its members have been working to move the issue of health care transparency forward for many years. We know that robust information to compare cost and quality is the cornerstone of improving our health care system. When these bills were first circulated for consideration, The Alliance convened a subset of its members to discuss both proposals. Here are few observations that come from Wisconsin employers in regard to the proposed legislation and health transparency in general:

1. Optimally, **information about cost should be coupled with information about quality**. The goal is to improve the value of health care. As has been demonstrated in a growing number of national studies as well as our own analysis of Wisconsin hospitals, cost and quality are not correlated – you cannot infer one from the other. The highest cost hospitals don't provide the best quality care; nor do the lowest cost hospitals provide poor quality care. In fact, Wisconsin hospitals that have been rigorously applying Toyota Lean methods have demonstrated that improving quality will reduce costs. It's important to give consumers both factors to minimize the risk that quality can be inferred from cost.

That said; employers also recognize the importance of not allowing "the perfect be the enemy of the good". Information about cost is an important first step, but a plan to expeditiously add relevant quality information should also be developed. DHS could be given the authority to develop a specific, time-bound plan to accomplish this goal.

2. In order for consumers to make informed decisions, there must be a mechanism for **side-by-side comparisons** between providers based on a standardized unit of measurement. AB 614 makes progress toward this goal by requiring providers to have on hand a list of standardized charges for each of the 25 most common presenting conditions for that particular provider. Employers felt the Department of Health Services (DHS) should be given the authority under this provision to increase or decrease the number of conditions reported based on characteristics of the provider's practice. Of the four cost measures required to be reported under AB 614, employers felt average allowable payment from private payers was the most useful to consumers; the other measures would be of some interest, but less relevant to consumers.

3. Through our work, The Alliance has proven that public reporting of cost and quality information drives health care improvement. We believe transparency legislation should include a **centralized source for the dissemination of easy to understand, publicly reported cost and quality information**, preferably Web-based. Employers felt it was important that this central source be a neutral and objective entity and that steps should be taken to ensure the integrity of the data being reported.
4. **Wisconsin Health Information Organization (WHIO) is a game-changing asset which deserves support.** Wisconsin payers, providers and purchasers have developed a data asset in WHIO that will significantly advance our ability to measure and improve health care value. The Alliance encourages legislators to move this effort forward. State agencies have been involved in WHIO and next year the Wisconsin Medicaid program will add its data to the WHIO database, further enhancing the relevance to consumers across the state. The addition of Medicare data is an important next step. We encourage you to work with our Congressional representatives to make this happen.

Members of The Alliance believe that cost and quality transparency is a prerequisite to creating the magnitude of change needed in health care. We look forward to working with the legislature toward this goal. Please do not hesitate to contact me at 608.210.6621 if I can provide you with any additional information regarding this important matter.

Sincerely,



Cheryl A. DeMars
President and CEO

cc: Representative Kelda Helen Roys
Representative Chuck Benedict
Representative Jennifer Shilling
Representative Amy Sue Vruwink
Representative Donna Seidel
Representative Sandy Pasch
Representative Penny Bernard Schaber
Representative Leah Vukmir
Representative Kitty Rhoades
Representative Jeff Stone
Representative Patricia Strachota
Representative John Nygren



PEGGY KRUSICK
STATE REPRESENTATIVE

To: Assembly Committee on Health and Healthcare Reform
From: Peggy Krusick
Date: December 17, 2009
Subject: Health care price transparency legislation

Thank you for holding a public hearing today on health care price transparency legislation. I urge the committee to act quickly on this important issue.

All consumers deserve and have right to know how much their health care costs. By making more information available on health care charges and out-of-pocket expenses, we can empower consumers, encourage competition among providers and drive down costs for everyone.

One issue among many in this area that needs to be addressed is the problem of uninsured patients being charged more for their care than insured patients. For example, a few years ago a hospital near Milwaukee charged a woman with inadequate health insurance \$36,540 for an arthritic-hip operation—double what she would have been charged if she had adequate insurance. The hospital eventually cut the woman's bill in half, but only after a local newspaper called asking about the charges. Health care costs are skyrocketing and, as this example shows, underinsured and uninsured patients are the ones who pay the biggest price because they don't have the bargaining power to negotiate good deals like large insurance companies.

To help address this problem, I am currently working on legislation to create a state health care ombudsman who would advocate on behalf of uninsured patients to make sure they are paying reasonable prices for their health care. Among other things, the ombudsman would:

- provide advocacy and education services on uninsured patients' rights and responsibilities related to health care billing
- serve as liaison in billing disputes between providers and uninsured patients
- work to increase transparency in provider billing practices
- provide outreach and education to inform uninsured patients on the services of the program

I would appreciate the opportunity to work with members on incorporating this measure into the health care price transparency legislation that the committee advances to the full Assembly. A copy of my health care ombudsman proposal will be provided to you as soon as it becomes available. Please feel free to contact me in the meantime if you have any questions, suggestions or comments.

Thank you for your consideration.



NEWS

Contact: Mary Kay Grasmick, WHA, 608-274-1820, 575-7516 (cell)

Federal Agency Ranks Wisconsin #1 in Health Care Quality

MADISON (June 26, 2009) ----- The federal Agency for Healthcare Research and Quality (AHRQ) today released data that showed Wisconsin is leading – in fact is number one – in the nation for health care quality. Wisconsin had the top overall health care quality score among all 50 states based on measures that AHRQ used to evaluate health care performance.

The AHRQ 2008 *State Snapshots* summarize health care quality in three dimensions: type of care (preventive, acute and chronic care), setting of care (hospitals, ambulatory, nursing homes and home health care) and by clinical areas (cancer, diabetes, heart disease, maternal and child health and respiratory disease). The 2008 State Snapshots allow users to explore whether a state has improved or worsened compared with other states in several areas of health care delivery.

Wisconsin has consistently ranked at or near the very top of AHRQ's annual report for overall health care quality. Wisconsin ranked number one in 2006 and was second only to Minnesota in 2007. Minnesota was second to Wisconsin in the most recent rankings.

Dana Richardson, vice president of quality initiatives at the Wisconsin Hospital Association (WHA), said Wisconsin scored well on measures related to hospital, ambulatory and nursing home care with hospital and home health care showing the greatest improvement compared to baseline measures.

"Quality health care is safe care that fits the patient's needs, is right for their illness and is given without unnecessary delays. Wisconsin health care providers continue to work diligently with their patients to improve the care that they provide in their communities," according to Richardson.

WHA President Steve Brenton said, "Wisconsin is nationally recognized as a high quality, low cost health care provider. Wisconsin is well positioned to serve as a model for national and state level health reform."

While public reporting creates a measurement tool for improvement, the next step is changing processes to assure that the best care is provided and engaging consumers in their health.

According to AHRQ, its State Snapshots Web tool (<http://statesnapshots.ahrq.gov>) helps State health leaders, researchers, legislators and consumers understand the status of health care quality in individual states, including each state's strengths and weaknesses. AHRQ's annual State Snapshots is based on data drawn from more than 30 sources, including government surveys, health care facilities and health care organizations.

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